

Message Text

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ACTION COME-00

INFO OCT-01 EA-07 ISO-00 EB-08 AID-05 STR-04 AGRE-00

FEA-01 CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 SS-15

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /082 W

-----250936Z 098230 /22

P 250844Z MAR 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 7588

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E.O. 11652: N/A

TAGS: EAGR, ETRD, RP

SUBJ: GOP BAN ON RATTAN POLES

REF: A. MANILA 3309, B. MANILA 2740, C. MANILA 2713,

D. STATE 37523, E. STATE 56296

1. E/C COUNSELOR MET WITH FICKS AS REQUESTED REF E.
SECRETARY OF TRADE QUIAZON IS STILL OUT OF COUNTRY BUT
EMBASSY WAS ABLE TO ARRANGE MARCH 23 APPOINTMENT WITH UNDER
SECRETARY OF TRADE VALDEPENAS. IN ADDITION, APPOINTMENTS
WERE MADE MARCH 24 WITH JOSE LEIDO, SECRETARY, DEPARTMENT
OF NATURAL RESOURCES (DNR), AND WITH TWO DNR OFFICIALS
DIRECTLY CONCERNED WITH PROBLEM: DIRECTOR EDMUNDO CORTEZ,
BUREAU OF FOREST DEVELOPMENT AND CHIEF DOROTEO ANTONIO,
UTILIZATION DIVISION. E/C COUNSELOR ACCOMPANIED MR. FICKS
TO ALL OF THESE APPOINTMENTS.

2. FICKS HAD LEARNED IN CEBU THAT LICENSES TO CUT RATTAN
HAD NOT BEEN ISSUED BY DNR SINCE DECEMBER, AND DNR SECRETARY
LEIDO HAD REPORTEDLY TAKEN POSITION THAT NO MORE LICENSES
WOULD BE FORTHCOMING UNTIL EXPORT BAN WAS DECLARED.

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ACCORDING TO FICKS, PHILIPPINE FURNITURE MANUFACTURERS,
INCLUDING PHILIPPINE-LOCATED U.S. FIRMS, WERE SO CONCERNED
ABOUT REFUSAL TO ISSUE LICENSES (FIRMS NORMALLY CARRY ABOUT
THREE MONTHS STOCK OF POLES), THAT THEY ALL AGREED TO
SUPPORT THE EXPORT BAN. HOWEVER, FICKS SAYS, LICENSES TO
CUT POLES HAVE STILL NOT BEEN ISSUED AND THE PHILIPPINE
FURNITURE INDUSTRY WILL BE RUNNING SHORT OF POLES WITHIN

NEXT THREE WEEKS.

3. FICKS PRESENTATION WAS LOW KEY AND PERSUASIVE, AND FOLLOWED SAME LINE IN EACH APPOINTMENT: (1) LOSS OF FOREIGN EXCHANGE TO PHILIPPINES WHICH WOULD RESULT FROM EXPORT BAN WAS UNNECESSARY, AND RATTAN AVAILABLE FROM OTHER SOURCES IF U.S. INDUSTRY DRIVEN TO THIS. PHILIPPINE RATTAN IS IN SHORT SUPPLY NOW ONLY BECAUSE LICENSES ARE NOT BEING ISSUED, THERE IS NO LONG RANGE PROBLEM BECAUSE RATTAN REPLENISHES ITSELF IN A FIVE YEAR CYCLE. (2) U.S. FURNITURE MANUFACTURERS SERVE AS "MARKETING ARM" OF PHILIPPINE RATTAN INDUSTRY. SOMETIMES THERE IS A DIRECT CONNECTION BETWEEN U.S. AND PHILIPPINE FIRMS, BUT IN ANY CASE, IT IS THE U.S. FIRMS WHICH MOUNT AND FINANCE ADVERTISING CAMPAIGNS THAT HAVE POPULARIZED RATTAN. THUS, IF THE U.S. MANUFACTURERS PULL BACK FROM THE PHILIPPINES THE RATTAN INDUSTRY HERE WILL LOSE MARKETS IN THE U.S. (3) THE PRESENT BAN ON POLE EXPORTS AND THE LACK OF CUTTING LICENSES, IF CONTINUED MUCH LONGER, WILL PREVENT U.S. INDUSTRY FROM FULFILLING CURRENT ORDERS. WHEN THAT HAPPENS, IRREPARABLE DAMAGE WILL HAVE BEEN DONE TO RATTAN MARKET IN THE UNITED STATES. SECRETARY LEIDO LISTENED CAREFULLY AND ASKED FICKS TO PROVIDE HIM WITH ADDITIONAL INFORMATION. FICKS WROTE LEIDO ON MARCH 24 FURTHER DETAILING POSITION OF HIS INDUSTRY.

4. WE ARE NOT OPTIMISTIC THAT EXPORT BAN WILL SOON BE LIFTED. LEIDO SAYS HE IS RESPONDING TO PRESSURE FROM PHILIPPINE FURNITURE MANUFACTURERS WHO CLAIM THAT THE SUPPLY OF RATTAN WILL BE SHORTLY EXHAUSTED. VALDEPENAS AT TRADE WAS MORE LIMITED OFFICIAL USE

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SYMPATHETIC TO OUR ARGUMENTS THAT POLE BAN WILL CAUSE DROP IN PHILIPPINE EXPORT EARNINGS AS WELL AS HARDSHIP TO AMERICAN FIRMS AND WORKERS, BUT SAID THAT RELIEF COULD COME ONLY FROM DNR SECRETARY LEIDO.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Sent Date: 25-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA04425
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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